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To: Supervisor Yvonne Brathwaite Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

FEDERAL LEGISLATIVE UPDATE

FFY 2004 Labor/Health and Human Services (HHS)/Education Appropriations Bills

On July 10, 2003, the House passed H.R. 2660, its version of the Federal Fiscal Year (FFY) 2004 Labor/Health and Human Services (HHS)/Education appropriations bill. The Senate version (S. 1356) is awaiting Senate floor action. Both versions generally fund programs at levels that are similar to the FFY 2003 funding levels. Funding levels for programs of County interest are summarized below:

Bioterrorism Grants: Both bills include \$940 million for state and local public health preparedness activities administered by the Centers for Disease Control and \$518 million for state and local hospital preparedness activities administered by the Health Resources and Services Administration, the same funding levels as in FFY 2003. Los Angeles County, New York City, Chicago, and Washington, D.C. are the only four local jurisdictions that received direct funding under these programs in FFY 2003.

Ryan White AIDS: Both bills fund Title I Emergency Assistance grants to metropolitan areas with high numbers of HIV/AIDS cases at \$618.7 million, the same as in FFY 2003. Overall, Ryan White programs would receive \$2.042 billion in the Senate bill, compared to \$2.024 billion in the House version. The comparable FFY 2003 level was \$2.018 billion.

Community Health Centers: Both bills increase funding for Community Health Centers from \$1.505 billion in FFY 2003 to \$1.627 billion in FFY 2004.

Community Access Program: The House bill freezes funding for the Community Access Program (CAP) at \$104 million in FFY 2004, while the Senate provides no funding. The Administration has proposed eliminating CAP which provides grants for the coordination of local health systems.

Substance Abuse Prevention and Treatment Block Grant: The House bill increases this block grant by nearly \$83 million to a FFY 2004 level of \$1.77 billion while the Senate bill increases it to \$1.72 billion. Additionally, the House funds the Administration's new substance abuse voucher initiative at \$100 million instead of the \$200 million requested. The Senate did not provide any funding for this initiative.

Older Americans Act (OAA) Programs: The House bill increases overall OAA grants to states by \$21 million to a level of \$1.287 billion in FFY 2004 while the Senate bill increases grant funding by \$2.7 million. Most OAA programs are funded at or near FFY 2003 levels except the House bill increases funding for family caregivers by \$13 million to \$162 million in FFY 2004.

Refugee and Entrant Assistance: The Senate bill cuts overall refugee and entrant assistance funding by about \$50 million to \$428 million in FFY 2004 while the House cuts overall funding by about \$16 million. The biggest difference is that the Senate bill assumes a lower cost of maintaining the current policy of providing eight months of cash and medical assistance to new arrivals. Also, the Senate bill cuts the refugee social services program by about \$10 million while the House bill increases it by nearly \$3 million.

Community Services Block Grant (CSBG): The House bill adopts the Administration's budget proposal to reduce CSBG by nearly \$151 million to a level of \$494.9 million in FFY 2004. The Senate would freeze funding at the FFY 2003 level of \$645.7 million.

Promoting Safe and Stable Families: Both bills freeze funding at the FFY 2003 level of \$405 million for this program which funds family preservation services.

Child Welfare Services: The House bill includes a \$1.9 million increase while the Senate bill maintains program funding at the FFY 2003 level of \$290.1 million.

Social Services Block Grant (SSBG): Both bills freeze SSBG funding at the FFY 2003 level of \$1.7 billion.

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Workforce Investment Act: Both bills include \$900 million for adult training, \$1 billion for youth training, and \$1.155 billion for dislocated worker formula grants in FFY 2004, which are about the same levels as in FFY 2003.

We will continue to keep you advised of any new developments.

DEJ:GK
RT:TJ:MT:md

c: Executive Officer, Board of Supervisors
County Counsel
All Department Heads
Legislative Strategist